



**Washington State
Health Care Authority**

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May 9, 2006

TO: Potential FSA/DCAP Bidders

FROM: Vicky Rideout
RFP Coordinator

SUBJECT: Addendum 1, Questions and Answers

Enclosed is a copy of the first set of Questions and Answers regarding the Request for Proposals (RFP) referenced above.

When submitting your proposal, please include a signed copy of this cover sheet as acknowledgment of your receipt of this addendum.

Bidder's Signature: _____

Company Name: _____

Date: _____

ADDENDUM 1
TO THE
REQUEST FOR PROPOSALS
QUESTIONS AND ANSWERS
FOR
FLEXIBLE SPENDING ACCOUNT
DEPENDENT CARE PROGRAM, THIRD-PARTY ADMINISTRATOR

QUESTION 1

Who is the current administrator of this program for the Health Care Authority?

Answer: The current administrator is Fringe Benefits Management Company out of Tallahassee, Florida.

QUESTION 2

Could you provide an estimate of the number of employees eligible for this program?

Answer: There are approximately 104,709 eligible employees.

QUESTION 3

Does HCA currently offer a benefits debit card? If so, which card do you offer?

Answer: The current FSA program does not include or use a debit card, although this is something that the HCA is willing to consider for the new program.

QUESTION 4

May we share the RFP with additional third party administrators who might be interested in the business?

Answer: Yes, please feel free to share the RFP with other companies who might be interested.

QUESTION 5

We understand that the fees charged by the current administrator are a matter of public record, but we were unable to locate them on the HCA web site. What fee is the current FSA vendor charging?

Answer: The current FSA vendor is charging \$4.25 per enrollee per month. As stated in the RFP, the HCA/PEBB FSA pilot program is expanding to include all insurance eligible state agency employees effective July 1, 2006. Should enrollment exceed 5,000 the fee will be \$4.00.

QUESTION 6

Is any part of the administrative fee passed on to participants?

Answer: No.

QUESTION 7

Does the State require a proposing firm to be registered with the State or can this be completed upon award of the contract?

Answer: In order to submit a proposal bidders are not required to have a business license in Washington State. However, the successful bidder will be required to complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments under this contract, as applicable. The successful bidder must agree to comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of any contract resulting from this procurement.

QUESTION 8

Does the State currently offer debit cards for the health care flexible spending account program?

Answer: No.

QUESTION 9

Can you describe the benefit fair schedule and/or estimate the number of days of fairs and if there are multiple fairs in multiple locations on the same day (i.e. would one onsite representative be able to cover the requisite meetings)? This is referenced in section 3.2.1.1.d on page 11 of the RFP.



51-575 1005 2005
Benefits Schedule.pdf

Answer: A sample benefit fair schedule can be accessed at:
We do not usually schedule multiple benefit fairs on the same date.

Question 10

How many meetings with state agencies, higher-education and community colleges, referenced in section 3.2.1.1.e of the RFP, do you anticipate and what sort of schedule?

Answer: There likely wouldn't be more than two each during the year. It is difficult to assess since the current FSA vendor has not been utilized for very many of those type of meetings.

QUESTION 11

Please confirm that the times are 8 – 5 PDT during the period of time of day-light savings time. This is referenced in section 3.2.1.1. f, on pages 11 and 12 of the RFP.

Answer: The HCA is requesting that bidders have phone service and dedicate sufficient staff at least 12 hours per day, covering the core hours of 8 a.m. through 5 p.m. Pacific Standard or Daylight time (as appropriate). This means that bidders must have staff available for some combination of hours before 8 a.m. and/or after 5 p.m.

QUESTION 12

Please explain system time 24x7 in section 3.2.1.1.f of the RFP. Does this include live customer service?

Answer: The reference to 24x7 in the RFP refers to system availability only. The HCA wants employees to have the option of accessing the FSA system and information 24 hours a day, seven days a week.

QUESTION 13

Are core benefits such as health insurance also selected during the same open enrollment period?

Answer: Yes.

QUESTION 14

What sort of eligibility data is sent from the other benefit systems? For example, does mean eligibility data from the health insurance plan? This is referenced in section 3.2.1.2.d of the RFP.

Answer: We are not sure we understand this question. The type of eligibility data that other benefit systems provide to HCA is not pertinent to the FSA program. The information that the current FSA vendor receives regarding eligibility is: name, Social Security Number, date of birth, gender, marital status, phone number, agency, employment status, and effective date.

QUESTION 15

Do all payroll centers accept payroll data setup transfers from the contractor?

Answer: Yes.

QUESTION 16

If the contractor does not allow outside access to its processing system for security reasons, can the contractor provide an export of all relevant data to a separate system to which the HCA can have access?

Answer: Please disregard number 3.2.1.3.j. This item will be deleted in the next Addendum to the RFP.

QUESTION 17

Please elaborate on the current process of claim funding. Are claims paid directly from the State's account or is there another methodology employed?

Answer: Claims are paid directly from the State's account, which is held by the current FSA Contractor in a non-interest bearing account in the Contractor's name and tax identification number for this purpose.

QUESTION 18

How many payroll centers are there?

Answer: At this time there are 5.

QUESTION 19

Is there a debit card fee (if applicable)? Any additional annual or recurring fees? Is the current fee structure tiered so that a lower fee is assessed for attaining certain participation levels?

Answer: Since the current FSA program does not use a debit card, there is no fee. There are no other annual or recurring fees. The current fee structure is not tiered and uses only one fee structure.

QUESTION 20

What is the total number of current participants, broken out into Health Care accounts versus Dependent Care accounts?

Answer: As stated on page 2 of the RFP, there are currently 3,870 enrollees in the medical FSA plan, and approximately 1,200 enrollees in the Dependent Care Assistance Plan. The medical FSA is expanding to include all insurance eligible state agency employees effective 7/1/06. The open enrollment for this expansion is in process--this special open enrollment is from 5/1/06 through 5/31/06. We are unable to determine how many people will enroll in the expanded plan.